

How To Fix The Fundamental Flaw In How You Measure Customer Satisfaction



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It's frightening how many organizations say they care about customer satisfaction and how many of them are measuring the wrong thing the wrong way and then doing the wrong things with the information anyway. The fix is measuring satisfaction on an actionable dimension across a scientifically representative sample and then helping your front line managers use that data to effect change.

Let's unpack that with the help of FranklinCovey Loyalty's [Sandy Rogers](#).

1. The value of customer satisfaction.

FranklinCovey's data shows a straight line correlation between customer satisfaction and growth. The more satisfied your customers are, the more they are going to buy from you.

2. The right measure of customer satisfaction.

Based in part on his work with Enterprise Rent-A-Car, Fred Reichheld has suggested that [the one number you need to grow](#) is the likelihood of your customers recommending you to others or "Net Promoter Score." This is a result of the sum total of your customers' experiences over time. Certainly valuable as measure of long-term customer satisfaction. But not the most actionable short-term measure.

If you're trying to drive front line customer satisfaction improvement, you should focus on the other question Enterprise asks instead: "How satisfied were you with your most recent experience?" Sandy, who used to head strategy at Enterprise explained that they focused on this number because it was what front line managers could directly impact.



3. The right way to measure customer satisfaction

The Internet and email have made collecting customer survey data dramatically less expensive. No one really cares that the cooperation rates on receipt-driven surveys are only 4%. Nor do people care that cooperation rates drop as surveys get longer. Since the cost of each survey is next to nothing, you can just increase the number you try to reach until you get the number of completed interviews you need.

The problem is the response bias. The relatively low percent of people who respond to longer surveys by email are not representative of the broader population. Sandy says you can check this by comparing the future spending of your survey responders to non-responders. If it's different, your sample is not representative. Sandy suggests very brief phone surveys take out the response bias and get you a representative sample. Whether or not you chose phone surveys, you do need a representative sample for each manager so you know who to study for best practices and who needs improvement coaching.

4. Helping your front line managers.

The key word here is “helping”. As Sandy puts it, “telling frontline managers what to do takes ownership away from them.” This is exactly in line with my earlier note on [different levels of employee engagement](#).

In brief, telling yields compliance. Compliant managers and people will do what you tell them to do – and no more. Persuading can yield contribution from managers and people trying to leverage their strengths to help the organization. Contribution is good. But if you seek the highest levels of customer satisfaction you need managers and employees committed to the cause. You can't tell people to be committed. You can't even persuade them. It starts deep within them. Help them build on that.

This is why you want to focus on customer satisfaction with recent visits – the number your front line managers can manage. They can use this data to set daily or weekly targets and then hold their people accountable for hitting those targets, with appropriate consequences for over-achieving, achieving or under-achieving.

Implications for you

This is applicable to you whatever your level is in the organization.

If you are a front-line manager, find an actionable way to measure the results your people are delivering. Recruit people with a talent for customer service. Help them acquire the knowledge and skills they need. Reward them for success.

If you are more senior, use the right measure to rank frontline teams based on relative customer satisfaction. Learn from the top of pile. Share this learning; but don't tell them what to do. Frontline ownership for improvement drives commitment.

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